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FOREIGN SERVICE DESPATCH

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SUBJECT: Growing Dissatisfaction With the Arbenz Administration of Guatemala.

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In the past month this Embassy has noted a growing dissatisfaction with the Arbenz Administration among wide segments of the Guatemalan population resulting in ferment and fearfulness among non-Communist politicians in the government, increased anti-Communist talk among persons formerly sympathetic to the regime, and widespread grumbling at government inefficiency on the part of humble citizens. Paradoxically, this increasing unpopularity of the Administration comes at a time when the organized anti-Communist opposition is at a low ebb, and at this stage Guatemala appears to be in a mood of vague dissatisfaction and unrest rather than consciously planning the overthrow of the government.

The focusing of the underlying dissatisfaction was brought about by two almost chance events: the opening of Guatemala's million-dollar, mismanaged October Fair on October 20, and the arrival of Ambassador John E. Peurifoy on October 29. The Fair proved to be an expensive and cheerless failure (Emb. Desp. 373, Oct. 29, 1953) and resulted in a series of public brawls at the bull ring where confusion over the seating arrangements has three times resulted in clashes between the police and the mob. In the poorer barrios as well as the middle class districts of the capital, disgust at the unfinished, mismanaged and disorderly Fair ground which cost the taxpayers a fortune has grown into something akin to contempt toward the Administration and its politicians, stripping some of the glamor off the promises of "Revolutionary" progress. This feeling has been accentuated by a series of annoyances, such as the paucity in films in movie theaters due to the government's difficulties with American distributors, an almost total lack of sugar in Guatemala City in early November, and a currently threatened meat shortage.

The arrival of Ambassador Peurifoy provided a milepost for the smaller politically-conscious element of Guatemala to reassess the internal situation and set off the greatest wave of press and public speculation in recent times as to what the

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U.S. would do about Communist influences in Guatemala (Embassy Despatch 408, November 10, 1953 and previous). The more conservative elements naturally seized upon the change of Chiefs of Mission as a portent that forceful action by the United States was imminent, as they had previously done when President Eisenhower succeeded President Truman. But on this occasion, persons formerly sympathetic to the Administration joined in by privately complaining that unbridled Communism was imperiling the country. In the past two weeks, among other sources, this Embassy has heard from such scattered but informed sources as a member of an Administration party with many friends in government circles, a formerly pro-Administration Judge, and the brother of a Cabinet Minister, that many Administration politicians are dissatisfied with the situation. As one of them put it, the non-Communist politicians feel that the government is losing contact with the people and that they are on a roller coaster over which they have no control but from which it would be dangerous to jump (Embassy Despatch 400, November 6, 1953).

As the Embassy sees it, the current dissatisfaction is a stage through which Guatemala is passing as a result of the joint effect of the increasingly visible ineptness of the Arbenz Government in meeting the practical economic and administrative problems posed by its "Revolutionary" program and of the increasing prominence of Communist influences competing with the practical political interests of government politicians. The vague mass dissatisfaction in the capital may be traced to popular impatience that government reform programs have brought no tangible benefits and much evidence of wasteful experimentation, while in the rural areas the Agrarian Reform, whatever its eventual outcome, is now resulting in unsettling dislocations of the established patterns. The unrest among opportunist Administration politicians has been building up for some months, notably as the result of clashes between Communists and the older "Revolutionary" parties over the former's rapid organizational expansion at the expense of the latter. This has resulted in the flare-up between the Partido Acción Revolucionaria (PAR) and the Communist Partido Guatemalteco del Trabajo (PGT) in the agrarian reform disturbances at Yepocapa where the PAR publicly accused the PGT of trying to pack Agrarian Reform Committees (Embassy Despatch 221, September 8, 1953) and recently the press has carried charges, still unconfirmed, that PGT organizers are taking over local PAR units in the southeastern part of the country. In the Partido de la Revolucion Guatemalteca (PRG) resentment at the increasing preeminence of Communist influences recently resulted in the resignations of six of the PRG's fifteen deputies from the party (Embassy Despatch 329, October 15, 1953).

The question that remains to be answered is whether the current phase of ferment and unrest will result eventually

in crystallizing a force sufficiently strong to impede the advance of Communism or whether it is just a passing episode. The flaw in the situation, from the viewpoint of those interested in eliminating Communist penetration of Guatemala, is that at present there appears to be no center around which anti-Administration and anti-Communist sentiment can polarize.

FOR THE AMBASSADOR

William L. Krieg
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